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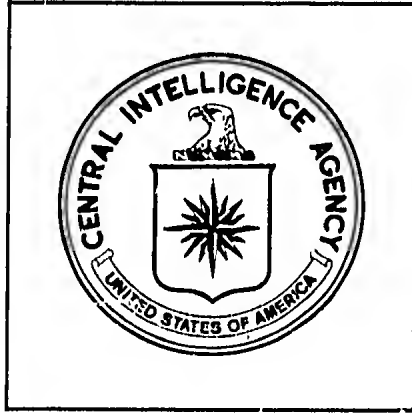
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MIDDLE EAST - AFRICA - SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Kuwait*New Cabinet Named*

The new cabinet announced this week by Prime Minister Sheikh Jabir al-Ahmad al-Sabah, who is also the Crown Prince, has important implications for the line of succession to the amirate. Moreover, the oil portfolio is no longer in the hands of Abd al-Rahman Atiqi, long prominent as Kuwait's spokesman on petroleum policy.

Named to the newly created post of deputy prime minister was the ambitious Sheikh Jabir al-Ali al-Sabah, long at odds with many of his relatives in the ruling Sabah family, including Crown Prince Jabir al-Ahmad. For years, Jabir al-Ali has been trying to get the family to recognize him as the number three man in the country, after the Amir and Jabir al-Ahmad.

Jabir al-Ali's appointment as deputy prime minister indicates he has apparently smoothed over differences with the Amir and the Crown Prince and now has a leg up on royal competitors for the position of crown prince, when the job becomes vacant. The Amir has serious cardiovascular problems and may be forced at any time to relinquish power to Jabir al-Ahmad.

When Jabir al-Ali's campaign for the deputy prime ministership failed in 1971, he left the government, refusing to serve in a lesser capacity.

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[REDACTED] In addition to his assignment as deputy prime minister, Jabir al-Ali was also given the information ministry.

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The other significant cabinet change was the splitting of the oil and finance ministry. The present minister, Abd al-Rahman Atiqi, retained only the finance portfolio. He has been a key figure in the Organization of Petroleum Exporting Countries (OPEC) as well as the Organization of Arab Petroleum Exporting Countries (OAPEC) that he helped establish in 1968.

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The prime minister has reportedly been feuding with Atiqi for some time and has been looking for a way to reduce his influence. For the time being, Atiqi will remain Kuwait's representative at international oil conclaves.

New oil minister Kazami is a member of the national assembly and formerly held high posts in the finance and oil ministry. He attended graduate school in the US.

The present Kuwaiti ambassador to the US, Salim al-Sabah who is a son of the Amir, is to be minister of social affairs and labor. According to the US embassy in Kuwait, informed sources speculate that Salim al-Sabah is being groomed for the foreign minister's post. (CONFIDENTIAL)

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South Yemen

Political Activity Prior to National Front Congress

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Some South Yemeni exiles

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are talking about increasing their antigovernment activities if the sixth congress of the ruling National Front--scheduled for early March--does not provide evidence of a change in the regime's leftist policies and personnel.

South Yemeni President Ali reportedly has promised Egypt that in exchange for political and economic support, he will reduce Aden's ties with the Soviet Union, moderate South Yemen's foreign policy toward other Arabian peninsula countries, and change the country's domestic policies. If Ali intends to make good on his promise, the first signals of these changes will probably be manifested at the party meeting.

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Meanwhile, North Yemen's foreign minister, Abdallah Asnag, a former South Yemeni nationalist leader and head of the exile community in North

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Yemen, has voiced doubts about chances for change in Aden's policies. Asnag contends that President Ali has made a number of promises in order to obtain economic assistance from Saudi Arabia and other Arabian Peninsula states, but that he does not intend to carry them out.

Asnag believes that Egypt has overstated its concern with Soviet influence in Aden and will not make any real effort to force a South Yemeni policy shift. He says Cairo is more interested in gaining a foothold on South Yemen's Perim Island, which lies athwart the southern entrance to the Red Sea, as a tool in its negotiations with Israel. Asnag also believes the often postponed National Front congress will probably not be held as scheduled. (SECRET NO FOREIGN DISSEM/ NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Iran*Labor Problems*

The Shah has launched a massive program to recruit and train workers from rural Iran and to import large numbers of foreign workers in an effort to overcome a shortage of skilled and semi-skilled labor, which the government has labeled "the greatest single bottleneck to the economy."

The economic development under way creates the need for an additional 1,000 workers a day, outstripping the normal additions to the labor force by about 20 percent. The gap is even larger, however, because most of the new jobs require skills that the average Iranian entering the labor force does not have. The need for skilled workers is projected to rise to 720,000 by early 1978.

Unemployment is a scant 1.2 percent, but there is heavy underemployment in both the rural and urban areas. Tehran is hastily trying to upgrade the skills of these underemployed. A number of training centers are being set up throughout Iran and teams are being sent to rural areas to recruit and train workers.

Efforts on the home front, however, will take time to produce results and will solve only a fraction of Iran's needs. The major thrust in Iran's worker recruitment effort will have to be directed abroad. The government has indicated that its near term objective is to import 75,000 to 80,000 foreign workers, but this goal will probably have to be revised upward.

Since late last year, Iranian recruiting missions have scouted manpower in the US and in five European and three Asian countries offering high salaries and allowances. Iranian recruiters are

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are making a special effort to attract skilled labor from the US, which already has a contingent of about 16,000 nationals resident in Iran. About 3,000 of them are working under defense contracts, which alone could swell the US community by at least 10,000 workers plus dependents by 1980. The British and West German communities in Iran--currently numbering about 5,000 each--should also grow substantially in the next few years along with the smaller communities of French, Japanese, and Italian nationals.

The massive influx of both foreign workers and rural Iranians to the industrial centers of Iran poses immediate economic difficulties and conceivably could lead to social or political problems as well. Some 700,000 additional workers anticipated by 1978--equal to about 20 percent of total urban employment in 1972--will strain the short supply of housing and services and probably accentuate already serious inflationary pressures. Grumbling among Iranian workers could easily develop over the housing differentials paid to their foreign counterparts. There already is some apprehension over the introduction of foreign workers fostered by inaccurate newspaper reporting on the number of Asian workers likely to be imported.

Although the government may be able to dispel that concern, a wider and more concerted Iranian reaction may develop if the need for foreign workers is greater and extends longer than the government's initial projections. The adverse reaction probably would come from Iranian traditionalists, who are deeply religious, largely conservative, and generally anti-foreign in outlook. Resentment probably would be directed at the government as well as at the foreign community.

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Apart from the impact of the foreign workers, problems could result from cultural differences among the Iranians--especially between the former rural workers and the established urban residents. Although initially the former rural workers would probably better their lot, they could soon become aware they are at the lower end of the urban wage scale and they could become resentful over their inability to satisfy their "rising expectations."

Organized outlets for economic and political discontent are denied by laws and effective action by the secret police. The government, however, may find it increasingly difficult to restrain discontent that is likely to follow its drive to expand quickly the supply of workers for economic development. (CONFIDENTIAL/NO FOREIGN DISSEM)

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Angola*Holden Roberto and the FNLA*

Holden Roberto and the National Front for the Liberation of Angola were given a new lease on life by the coup in Lisbon last April. Prior to the coup, the Front's military effort had been seriously stalled for several years and Roberto had become a virtual recluse in Kinshasa, Zaire, existing on hand-outs from President Mobutu. Roberto has not yet appeared in Angola.

Following the outbreak of insurgency in 1961, the National Front quickly became the front running Angolan insurgent organization. Operating in the northwestern part of the territory not far from Luanda, the capital, it bore the brunt of Portuguese counterinsurgency efforts and by the late 1960s had lost much of its momentum. Meanwhile, Agostinho Neto's rival Popular Movement for the Liberation of Angola was making significant gains in eastern Angola.

The National Front has been held back by its practice of recruiting mainly from refugees in Zaire belonging to the Bakongo tribal group of northern Angola rather than from within Angola. Roberto's refusal to broaden his support base prompted his foreign minister Jonas Savimbi, to leave the National Front in 1966 and eventually establish his own organization, the National Union for the Total Independence of Angola. Now Roberto's group must share the leadership of the transitional government with the two other nationalist organizations.

Roberto has had closer ties with Zaire over the years than with Angola and reportedly speaks better French than he does Portuguese. He is close to Zairian President Mobutu, but Mobutu's support has been limited, initially because of the Zairian leader's preoccupation with securing his own power

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and later by his desire not to provoke the Portuguese into denying Kinshasa access to transportation facilities through Angola that are necessary for Zaire's copper exports. Nevertheless, Roberto's reliance on Mobutu put him out of favor with the African and Communist states that provided the bulk of assistance to the insurgents in Portugal's African territories. Moreover, in 1971 the Organization of African Unity withdrew its material support, although the OAU continued to recognize Roberto's group as a liberation movement.

By the time of the coup, however, the National Front's fortunes were beginning to improve. With encouragement from Mobutu, who was attempting to improve his credentials as an African nationalist and develop Zaire's relations with China, Roberto visited Peking in January 1974 and secured a pledge of military assistance. Mobutu increased his assistance to the Front, especially in logistical support and training.

Because of this support, the National Front was able to move troops quickly into Angola, particularly Luanda, following an agreement last fall between the insurgent groups and the Portuguese that allowed the nationalists to establish offices in the territory in exchange for a suspension of hostilities. To date, the Front has been the most effective of the three groups in establishing its presence in northern Angola, largely because of its strong tribal ties there.

Since ending its guerrilla operations, the National Front has assumed a "law and order" role in Luanda and northern Angola. In recent months it has been able to capitalize on that image and win support even among some whites in rural areas of northern Angola, a region long plagued by banditry and a high crime rate. On numerous occasions it has used its "law and order" posture to harass its major opponent, the Popular Movement. Roberto's organization

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controls the agriculture, interior, and health and social affairs portfolios in the transitional government and clearly intends to use these to its advantage. The Front has ambitious plans for repatriating perhaps as many as 750,000 pro-Front refugees currently living in Zaire in time for them to vote in the constituent assembly elections that are scheduled to be held sometime before independence next November.

Meanwhile, the National Front may be strengthened by the early adherence of Daniel Chipenda, the former vice president of the Popular Movement who split with Neto in 1973. Chipenda controls some 2,000-3,000 well-trained troops in eastern Angola. Since his break with Neto he has obtained modest support from Roberto and Mobutu and he may now be on the verge of joining the National Front.

The National Front is operating under certain disadvantages, however. It has less support in Luanda than does the Popular Movement or even the National Union; it has virtually no following south of Luanda--an area that includes about three-fourths of the country. Moreover, the Front is not likely to gain significant new support from whites in the near future. Unlike its rivals, the Front has never sought to attract a broad racial base of support. As a result, it has been tagged with a racist image that will be difficult to overcome.

The Front's close relations with Mobutu are a political liability for Roberto in competing with the other two groups. The latter accuse the Front of being a tool of Mobutu, who, they suggest, has territorial designs on Angola, particularly the oil-producing exclave of Cabinda. The Roberto-Mobutu connection is viewed with particular suspicion by Agostinho Neto.

25X1A The ideological and personal differences between Roberto and Neto appear irreconcilable at present. Their organizations are likely to clash more than once during the political campaigning ahead as the Front campaigns in urban areas and the Popular Movement seeks to expand into the countryside. A major effort on the part of both men will be required to avert open warfare between the two groups. (CONFIDENTIAL)

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